



Telecom Decision CRTC 2004-26

Ottawa, 19 April 2004

SaskTel – Revised 2003 total subsidy requirement calculations

Reference: 8695-S22-200317877

*In this decision, the Commission **approves** \$547,570 of additional subsidy for Saskatchewan Telecommunications (SaskTel) for 2003 and directs the Central Fund Administrator to remit \$547,570 of additional subsidy to SaskTel for the year 2003.*

Background

1. In *Final 2003 revenue-percent charge and related matters*, Telecom Decision CRTC 2003-84, 19 December 2003 (Decision 2003-84), the Commission approved a final 2003 contribution collection revenue-percent charge of 1.1%. The Commission also approved the final 2003 and interim 2004 subsidy per residential network access service (NAS) for the territories of the large incumbent local exchange carriers including Saskatchewan Telecommunications (SaskTel).

SaskTel's application

2. By letter dated 28 November 2003, SaskTel filed revised 2003 subsidy per residential NAS calculations, which were an update to its original 28 March 2003 submission. SaskTel requested that this information be used to establish its final 2003 subsidy per residential NAS. SaskTel noted that the revisions were related to the calculation of its monthly average revenue per NAS for Bands E and F. The factors contributing to the need for the revised calculations were that: (a) some of the information used in the original submission were estimates, instead of actuals; (b) high-cost customers with rotary dial service pay less than high-cost customers with Touch-Tone service; and (c) its original submission was based upon all customers having Touch-Tone service.
3. By letter dated 6 February 2004, SaskTel filed its 2003 month-end NAS figures for its high-cost bands.
4. By letter dated 2 March 2004, SaskTel filed detailed calculations of its revised monthly average revenue per NAS for 2003 in confidence with the Commission.
5. The Commission received no comments regarding this application.

Commission analysis and determination

6. The Commission notes that its determination in Decision 2003-84 reflected SaskTel's original 28 March 2003 submission, as SaskTel's 28 November 2003 application was not received in time to be considered in Decision 2003-84.
7. The Commission has reviewed SaskTel's explanation and detailed calculations of its revised monthly average revenue per NAS in Bands E and F and considers them to be reasonable.

8. The Commission notes that, in its 28 November 2003 submission, SaskTel included the interim 2003 contribution collection revenue-percent charge of 1.3%¹ in its cost recovery adjustment. The Commission considers that SaskTel's cost recovery adjustment should include the final 2003 contribution collection revenue-percent charge of 1.1% and has adjusted the SaskTel subsidy per residential NAS calculations accordingly.
9. Based upon the 2003 month-end NAS information provided by SaskTel and the adjustment for the cost recovery of the final 2003 contribution collection revenue-percent charge, the Commission determines that SaskTel is entitled to \$547,570 of additional subsidy for the year 2003.
10. The Commission notes that it will consider the impact of SaskTel's revised monthly average revenue per NAS on SaskTel's 2004 subsidy per residential NAS when the Commission finalizes the 2004 subsidy per residential NAS.
11. In light of the above, the Commission **approves** \$547,570 of additional subsidy for SaskTel for 2003 and directs the Central Fund Administrator to remit \$547,570 of additional subsidy to SaskTel for the year 2003.

Secretary General

¹ In *Final 2002 revenue-percent charge and related matters*, Telecom Decision CRTC 2002-71, 22 November 2002, the Commission established an interim 2003 revenue-percent charge of 1.3%.

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